(c) The performance and profitability of foreign banks in India vis-a-vis Public sector banks is not comparable because the branches of foreign banks are located in Metropolitan cities and port towns whereas the branches of public sector banks are spread all over the country including semi-urban and rural areas.

(d) In view of reply to parts (a) & (b) does not arise.

Agitation by employees of Regional Rural Banks

180. SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE :
SHRI MURLIDHAR CHANDRAKANT BHANDARE :
SMT. VEENA VERMA :
SHRI RAJNI RANJAN SAHU :

Will the Minister of FINANCE be pleased to state :

(a) whether employees of Regional Rural Banks have lately been agitating to press their demands, including the one for constituting a National Rural Bank;

(b) if so, what were their precise demands; and

(c) what steps have been taken to resolve the issues ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Yes, Sir.

(b) The main demands of the employees of Regional Rural Banks (RRBs) are proper implementation of National Industrial Tribunal (NIT) Award, payment of arrears arising out of implementation of NIT Award and establishment of National Rural Bank of India (NRBI).

(c) Government had issued instructions on 22-2-91 to all the Regional Rural Banks in pursuance of the acceptance of the Award of the NIT and the recommendations of the Equation Committee granting sponsor bank pay scales and other benefits to the RRB employees. Consequent upon the implementation of the Award and recommendations of the Equation Committee, certain changes were to be brought about in Service Regulations, Recruitment and Promotion Policy for the RRB employees. The National Bank for Agriculture and Rural Development (NABARD) had accordingly constituted a working Group in September, 1991 with the following terms of reference :

(i) to frame Service Regulation for all categories of RRBs,

(ii) to frame Recruitment and Promotion policies in RRBs and

(iii) any other matter relating to the implementation of the Award of the Tribunal read with the Equation Committee Report.

The Working Group have submitted their report and the recommendations made have been generally accepted. NABARD is taking necessary action to issue instructions for implementation of the recommendations. The payment of arrears to the employees of the RRBs involves an expenditure of around Rs. 225 crores. As RRBs do not have funds of this order, the mechanism for payment of arrears is being worked out by Reserve Bank of India, NABARD and the Government. With a view to restructuring the RRBs and impart viability to them, a number of models have been worked out and effectiveness of each is being examined from all angles.